

Amendments to the Specification

A. Please amend paragraph [0008] starting on page 1 of the Specification as follows:

[0008] However, costs for prescription drugs ~~has~~ have grown faster than any other expenditure for health care costs in recent years. In 1999 alone, spending for prescription drugs in the United States rose nearly 17 percent to \$100,000,000,000.00 and is projected to continue to increase faster than any other category of health care costs over the next decade. Currently, expenditures for prescription drugs account for over 20 percent of the budget for many health care plans. It is clear that the use of PBMs, and other efforts to reduce health care spending have not been effective in reducing expenditures for prescription drug benefits.

B. Please amend paragraph [0017] on page 4 of the Specification as follows:

[0017] A first aspect of the invention is a pharmacy benefits management system and method. A processor server has claim information relating to pharmacy benefits claims, and information relating to a claims processing ~~formulary~~ formulary stored therein. A provider server has pharmacy benefits plan structure information stored therein. A management server has price information relating drugs in various classes and a processing module for correlating the claim information with the benefits plan structure information and the ~~formulary~~ formulary information to identify drugs dispensed to patients, expenses associated with the drugs in accordance with the pharmacy benefits plan structure information, alternative drugs in the same class as the drugs and expenses associated with the alternative drugs.

C. Please amend paragraph [0045] starting on page 6 of the Specification as follows:

[0045] Fig. 1 schematically illustrates pharmacy benefits management system 100 of the preferred embodiment. Management server 110 is a general purpose computer running an operating system and Web server software such as that distributed under the trade name APACHETM. In the preferred embodiment, management server 110 includes recipient

module 114, sponsor module 116, provider module 118, and consultant module ~~120~~ 190 as software modules constituting a processor module containing the processing logic and database capability for effecting the pharmacy benefits management functions described herein. The software modules are designated by function for the purpose of descriptive clarity herein. However, the modules need not be separate files or even separate blocks of code but can take any form of hardware and/or software for accomplishing the functionality described below. Management server 110 can also include retail cost information 112 stored therein which includes the retail costs of various drugs.

D. Please amend paragraph [0047] on page 4 of the Specification as follows:

[0047] Provider server 130 is associated with a pharmacy benefits provider such as an insurance company, HMO, self insured employer, or the like. Provider server 130 can be a general purpose computer and is coupled to management server 110 through communications channel 138. Further, ~~benefits~~ provider server 130 includes benefits structure information 134 indicating the pharmacy benefits provided to each recipient of the various benefits plans administered by the benefits provider. For example, benefits structure information 134 can include the deductible for pharmacy benefits to be paid by recipient prior to receiving pharmacy benefits, and the copayment for each tier of drugs to be paid by recipient. An example of benefits structure information 132 is illustrated in Fig. 23 and indicates the plan copayment for each tier of drugs in the formulary. Such a variable copayment format is referred to as a “multi-tier” plan herein.

E. Please amend paragraph [0052] starting on page 9 of the Specification as follows:

[0052] Recipient then selects their plan sponsor from the list of search results, to determine which benefits plan the recipient is subject to, and is taken ~~to the~~ to the screen illustrated in Fig. 5 for entry of recipient personal information. For example, recipient can be prompted to enter the name of the plan subscriber in field 232 (i.e., the name of the employee or other person subscribing to the pharmacy benefits plan), pharmacy benefits plan number in field 234, recipient’s name in fields 236 and 238, recipient date of birth in field

242, recipients individual coverage number in field 244, and an email address of recipient or plan subscriber in field 246. Of course, any personal information required or desired for use of system 10 can be requested and entered. Selecting button 248 causes display of the screen illustrated in Fig. 6 in which recipient is permitted to select, or change the status of, previously registered family members who can view recipient's pharmacy benefits information. For example, recipient may be a child or spouse who wishes to let their parent or spouse, or other member of the family, view their data. Accordingly, the term "recipient" as used herein refers to the person receiving the pharmacy benefit or the designee of that person for viewing pharmacy benefits information. Table 252 illustrates the current permission status of each member of recipient's family, i.e., authorized or not authorized for viewing recipient's data. Drop down menus 254 and 256 can be used to select family members and change their authorization status. Accordingly, each individual recipient has control over their own data. Preset rules regarding the legal age of consent and the like can be incorporated into the registration process to conform to current local legal standards and the like.

F. Please amend paragraph [0053] starting on page 9 of the Specification as follows:

[0053] This completes the registration process of step 220 (Fig. 2), takes recipient to step 210 (Fig. 2), and displays the screen illustrated in Fig. 7 on recipient client 140. The screen illustrated in Fig. 7 displays a pharmacy benefits summary of recipient just registered or logged in. The summary includes out of pocket costs 258 for the appropriate time period (such as the current calendar year) and sponsor costs 262 assumed by the plan sponsor for recipient's pharmacy benefits for that same time period. This tool is the recipient's first look at the portion of the pharmacy benefit born by the plan sponsor and in and of itself is a powerful tool for managing pharmacy benefits because it raises the consciousness of recipient. The summary data is culled from data available from PBM Server 120 through communication channel 128. Communication channel 128 can be an HTTP compliant channel, such as the Internet (including a dial up or other connection through an Internet service provider) or any other type of communication channel, such as an intranet, local area network, wide area network, or the like. In particular as noted above, PBM server 120

includes benefit information 124 relating to pharmacy benefits provided to recipients, such as the type of drug dispensed, the identity of the pharmacy dispensing the drug, the identity of the doctor dispensing the drug, and the like. Also, PBM server 120 includes formulary information 122. This information can be processed by management server 110 to present out of pocket costs 258 and sponsor costs ~~252~~ 262.

G. Please amend paragraph [0063] starting on page 15 of the Specification as follows:

[0063] Plan sponsor can enter a desired quantity of any particular drug in field 336 and select button 338 to produce sponsor therapeutic alternative report as illustrated in Fig. 15. Column 336 lists the alternative drugs as hypertext links. Column 338 displays the retail cost of each drug based on retail cost information 112 stored in management server 110. Column 340 lists the out of pocket copayment for each alternative in accordance with ~~formulary~~ formulary information 122 and benefits structure information 134. This tool permits sponsor to perform cost/benefit analysis for each drug based on rebate information that is available from the pharmacy benefit manager such as the PBM. For example, as seen in Fig. 14, in this example, the largest expenditures in this class were for PROZACTM. However, PROZACTM is the third least expensive drug in the class. Possibly, rebates from the benefits manager for PROZACTM overcome this cost differential. However, the burden can be placed on the benefits manager to demonstrate this fact. Alternatively, rebate information could be imported into system 100 and utilized to generate such an analysis automatically. Accordingly, plan sponsor has the information required to make an informed choice of benefits and can request a change in ~~formulary~~ formulary by the pharmacy benefits manager, or other claims processor, with the negotiating power of the relevant information.

H. Please amend paragraph [0066] on page 17 of the Specification as follows:

[0066] Consultant module ~~120~~ 190 includes processing functionality that is specifically helpful to consultants in analyzing and constructing pharmacy benefit plans. Consultants using consultant module ~~120~~ 190 can be contractors hired as consultant or in-house consultants of plan sponsor, plan provider, or another party. Accordingly, no particular

party's computer is associated with consultants in the preferred embodiment. Consultant module ~~420~~ 190 permits consultant to select a particular pharmacy benefits plan to display drug utilization of that plan by drug class as illustrated in Fig. 20. For each drug class in column 370, the statistics provide the total payment by the pharmacy benefits plan for that class in column 372, the percentage of plan payment for that class as compared to total expenditures under the plan for pharmacy benefits in column 374, the total out of pocket payment for recipients for that drug class in column 376, and the percentage of out of pocket payment for that class as compared to total recipient out of pocket payment under the plan for pharmacy benefits in column 378.

I. Please amend paragraph [0067] on page 17 of the Specification as follows:

[0067] By selecting a drug class from column 370, model formularies and plan benefits can be compared for cost benefits using the screen illustrated in Fig. 21. Field 380 illustrates the sponsor cost, recipient cost and total cost for drugs in the selected drug class for the selected plan. Once again, this information is compiled from retail price information 112, ~~formulary~~ formulary information 124, and benefit structure information 134. Field 382 displays plan benefits model data based on behavior hypothesis information entered by consultant as described below. In other words, field 382 presents a "what if" scenario for the entered proposed modifications. For example, in field 384, consultant can select an existing plan drug and a proposed new replacement drug (therapeutic equivalent) as well as a desired percentage of migration within the plan from the existing drug to the proposed drug. This will result in a change of total costs reflected in field 382. Similarly, in field 386, consultant can change the proposed levels of copayments or coinsurance percentage and, in field 388, the consultant can change copayment amounts of the benefits structure to see how costs are affected in field 382.